

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	
FILING OF JOHNSON COUNTY GAS)	CASE NO. 10415-H
COMPANY, INC.)	

O R D E R

On April 24, 1991, the Commission issued its Order in Case No. 91-004 approving adjustments to the rates of Johnson County Gas Company, Inc. ("Johnson County") on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On November 22, 1991, Johnson County filed its quarterly GCA, which is to become effective January 1, 1992 and is to remain in effect until April 1, 1992.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Johnson County's notice of November 22, 1991 set out certain revisions in rates which Johnson County proposed to place into effect, said rates being designed to pass on to its customers the wholesale increase in gas costs from its suppliers. Johnson County did not include in its calculation Kentucky West Virginia Gas Company's pass-through of Gas Research Institute funding charges. Johnson County's corrected expected gas cost ("EGC") for the quarter beginning January 1, 1992 is \$3.4671 per Mcf, an increase of 91.51 cents per Mcf.

2. Johnson County's notice set out no refund adjustment.

3. Johnson County proposed an actual adjustment ("AA") in the amount of (7.80) cents per Mcf. Johnson County failed to adjust its calculation pursuant to its prescribed methodology, however, to reflect only the allowed 5 percent line loss. Johnson County's AA should be (8.58) cents per Mcf.

4. Johnson County's notice set out no balance adjustment. This adjustment will be unavailable to Johnson County until an approved actual adjustment has been in effect for 4 quarters.

5. The combined effect of the above adjustments is Johnson County's gas cost recovery rate ("GCR") in the amount of \$3.3813 per Mcf, which is an increase of 82.93 cents per Mcf from its last approved rates.

6. Johnson County's adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 91-004 dated April 24, 1991, is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after January 1, 1992.

IT IS THEREFORE ORDERED that:

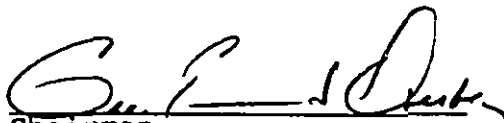
1. The rates proposed by Johnson County are hereby denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with service rendered on and after January 1, 1992.

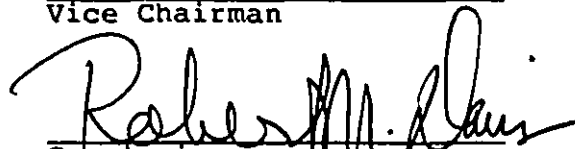
3. Within 30 days of the date of this Order, Johnson County shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of December, 1991.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10415-H DATED December 20, 1991

The following rates and charges are prescribed for the customers served by Johnson County Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Surcharge</u>	<u>Total</u>
Customer Charge				\$3.00
All Mcf	\$2.9871	\$3.3813	\$2.5159	\$8.8843

A surcharge of \$.4155 per Mcf will be added to the above rates until the obligation owed to Kentucky West Virginia Gas Company has been discharged, or is recalculated.